



Bridging the Gap: Achieving Greater Income and Economic Equality

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International Conference Centre Geneva (CICG)



OBJECTIVES

The objectives of this round tables are:

- **Stock-taking and discussing prospects for progressing toward SDG target 10.1:** providing a mutual learning space where policymakers can interact with their peers and other relevant stakeholders to take stock of where we are in terms of progress towards SDG target 10.1, exchange experiences and success stories, propose solutions to identified problems, and anticipate future developments to reduce economic inequalities within and between countries;
- **Pledging to leave no one behind:** understand *who* is being left behind and *why* by economic inequalities, and *how* to shape effective responses as well as *which* data disaggregation issues prevent us from measuring inequalities;
- **Understanding the SDG intersections:** promoting multi-stakeholder partnerships to contribute to speeding up multidimensional poverty/inequality reduction, bringing visibility to the principle of “Leaving no one behind” (**SDG 1**), ensuring equal access to safe and nutritious food as well as to productive resources and other inputs by all people, promoting sustainable agricultural production (**SDG 2**); giving particular priority to gender equality (**SDG 5**), and tying progressive policies to greater equality and growth (**SDG 8**).
- **Views and solutions:** compile a set of key action areas and good practices that can be shared with a wider audience;



GUIDING QUESTIONS

Stock-taking: What is the current state of national efforts to achieve above-average income growth of the bottom 40 per cent (target 10.1)?

Diagnostics and policy solutions: What policy interventions and reforms are needed to accelerate national transitions to economic opportunities that are equitable?

- What are the **recent trends, patterns and drivers** of income and economic inequalities in your country? (including implications in achieving the 10.1 target)
- What are the **challenges in measuring** income and economic inequalities and how to address them?
- What are the **key factors limiting inclusive and sustainable economic opportunities** (such as access to quality/decent jobs, markets, assets and finance etc) among disadvantages groups and lagging regions?



- **Employment and care economy:** Which **labour market interventions** that can help in reducing economic inequality, such as a minimum wage, gender equality in the workplace, protection of workers' rights and collective bargaining? How can women and men be enabled to balance work with their caring responsibilities?
- **Safety nets:** How to turn **social protection floors** into outcome-based approach that is mutually agreed with country authorities and their citizens? Shall we look at alternative methods of distributing purchasing power from wages, salaries and dividends.
- **Data disaggregation and measurements:** What **data disaggregation issues** impede **measuring and tracking progress in SDG 10-1** and other SDG targets measuring inequalities and addressing LNOB?
- **Fiscal space:** Ways to leave countries with the **fiscal space to invest in quality public services** such as childcare, care for the elderly and healthcare, encourage policies that lead to higher savings rates and lower the cost of **building assets for working and middle-class households**, and provide better economic security for struggling families. How to progressively redistribute benefits to the vulnerable and disadvantaged groups, especially in cases where inequality and poverty rates are high, and fiscal space low?
- **LNOB:** Recognizing that many factors – including social, political and economic norms – can contribute to a **person's experience of and vulnerability to poverty** and that these “group-based” inequalities intersect. What are **data disaggregation issues** impede measuring and tracking progress of those left behind in SDG 10-1 and other SDG targets measuring income inequalities?
- **Residential segregation:** **Segregation by income, rural-urban divide, urbanization processes** particularly the isolation of low-income households, also correlate with significantly reduced levels of upward mobility. Eliminating residential segregation by income and vulnerable groups can boost economic mobility for all.
- **SDG acceleration platforms:** a summary of combinations of interventions/platforms from both **VNRs and MAPS reports**, which orient their policies on combating (economic) inequalities and vulnerabilities.
- **Taxation system:** Providing advice that focuses more explicitly on **making tax codes more progressive and on expanding income tax** revenues that depend more on taxing wealth, property and capital gains of the richest than the consumption of the poorest.



BACKGROUND

Rising and persistent inequality in a time of plenty is the defining paradox of our times. Target 10.1 specifically aims to improve incomes at the bottom of the income distribution with a focus on growth for the poorest 40 per cent of the population. Within country inequality has seen a global rise over the past three decades with the top 10 per cent of earners capturing a greater share of national income than the bottom 50 per cent.

Many of the more than 10 million people who contributed to the UN Global Conversation on the Post-2015 Agenda, explained how inequalities made their communities less safe and just. They complained of a lack of influence over decision-making and conveyed a sense that the system was rigged. Their stories suggest that the dynamics of extreme wealth, power and exclusion subvert political processes and leave disadvantaged people and countries locked out of the benefits of globalization and growth.

Inequality is the top threat to the global economy

Business leaders, politicians and experts at the World Economic Forum in Davos this January 2019 have repeatedly ranked inequality as the top threat to the global economy. Oxfam showed that the world's 2,200 billionaires grew 12% wealthier in 2018, while the bottom half of humanity got 11% poorer. The wealth and income of parents became a strong predictor of children's incomes as adults. In highly unequal societies, upward mobility is limited.

Diverging incomes, social status and political power is leaving humanity divided and undermining the sustainable and human development of nations. Perhaps the most controversial question is how income inequality affects economic growth.

Poverty is expected to remain a persistent challenge for the middle- and low-income countries in the region of Europe and Central Asia. Rural populations are particularly affected, usually having fewer employment opportunities and weaker social protection systems than urban residents, especially those working informally in agriculture. Average income per head is lower in rural areas than in urban areas, the skills base is narrower and the service sector less developed.

Without inequalities more progress in human development

It is important to build on the experiences of countries that have developed competitive agricultural sectors and vibrant rural economies in order to improve the understanding of trends and contribute to the formulation of sound policies and strategies for fostering inclusive agricultural and rural development.

Countries can no longer dismiss rising inequalities as a short-term price for long-term growth. All 17 SDGs strive, in one way or another, to achieve more equitable development. Prior to the SDGs, inequalities were largely missing from mainstream policy agendas, leaving few incentives or guidance to tackle entrenched divisions. Agenda 2030 offers a chance to make up for lost time.

People are frustrated by the disadvantages, power imbalances and inequities they perceive are blocking their way forward; preventing them from being heard and living a life they value. In rich and poor countries alike, discontent is increasingly defining political contests driving protests and polarizing societies and political systems. The result undermines social cohesion and the legitimacy of governments; making it

harder to agree on solutions, fix problems, maintain peaceful communities and generate sustainable development.

The ILO's Global Commission on the Future of Work Report 2019 promotes the idea of establishing an international governance system for digital-labour platforms, introducing a Universal Labour Guarantee of fundamental workers' rights regardless of the contractual arrangements or employment status, reinforces the rights to minimum lifelong social protection and the entitlement to lifelong learning.

The UNDP Human Development Report found that inequalities had reduced global human development progress by 22 percent, in 2015. Thus, without inequalities in health, education and income, the world would have achieved 22 percent more progress in human development. Low human development countries, on average, have the highest levels of loss in Human Development Index (HDI) due to inequality (32 percent), followed by medium human development countries (26 percent).

Few disagree with the principles of 'leaving no-one behind', 'pro-poor growth' and 'shared prosperity'. The hard part is converting the principles into practice. The SDGs provide leverage and a roadmap but only if and where equity principles are successfully converted into national and/or locally owned, measurable policies and targets. The complex nature of the goals also requires a much more comprehensive and integrated approach than what has been usually applied before.

The forms and manifestations of inequalities in the region vary, but one of its most fundamental and persistent forms is connected with the sex, age, ethnic origin and geographical residence of the individual: for example, a woman belonging to a minority, living in a remote area, will be by default marginalized and 'left behind'. Evidence generated by the FAO studies in several countries of the region (Albania, Armenia, Georgia, Tajikistan, Turkey, Kyrgyzstan) point to profound inequalities in access to land and other productive resources as well as finance that have major implications for development and the achievement of the SDGs.

SDG LINKAGES

To realize the SDGs by 2030, countries must advance multiple goals and targets in synch. [Agenda 2030](#) considers "rising inequalities within and among countries", "enormous disparities of opportunity, wealth and power" and "gender inequality" to be "immense global challenges" (para 14). It identifies inequality as a factor that can "give rise to violence, insecurity and injustice" (para 35) and declares "combating inequality within and among countries" necessary to eradicate poverty, preserve the planet and foster economic growth and social inclusion (para 13).

Entry points for reducing inequality extend beyond SDG 10. The reduction of inequality, in opportunities and outcomes, features throughout the 2030 Agenda. Indeed, there is a set of targets across the SDGs – not including those in SDG 10 – that are directly or indirectly linked to reducing inequality. Equal or universal access for all to resources, services and opportunities is a recurring theme across the SDGs. For example, **SDG 1** on ending poverty in all its forms, which is central to closing gaps between the rich and the poor, calls for equal rights to economic resources and access to basic services. **SDG 2** on eliminating hunger calls for access to food, land and productive resources. **SDG 3** on good health and well-being calls for universal access to reproductive health-care services and universal healthcare. **SDG 4** calls for equal access to quality pre-primary through tertiary education and other learning programmes. The list goes on



to include access to quality work, energy, infrastructure and transport. Achieving equality-oriented targets in other Goals promises to directly affect progress toward the targets in SDG 10.

The potential for synergies between SDG 10 and **SDG 5** warrants particular attention in line with reducing inequality. The disadvantages facing women and girls affect half of the world's population. This makes efforts to reduce gender inequality and expand opportunities for women a necessary aspect of any effort to reduce overall inequality whether in income or access to other resources or services.

SDG 10 is closely linked to environmental sustainability and **SDGs 13, 14 and 15**. It is widely recognized that the poorest and most disenfranchised groups are the most vulnerable to the effects of climate change, natural disasters, and resource scarcity. Efforts to reduce greenhouse gas emissions, natural resource depletion and ecosystem degradation hold promise for improving the resilience of the most vulnerable, but there is also a need to ensure that changes in resource use legislation and economic structures don't reduce the opportunities of vulnerable groups.

There are also strong links with **SDG 16** on peace, justice and strong institutions. Reducing inequality calls for an end to exploitation and strong mechanisms for the provision of justice and anti-discrimination legislation. Indeed, targets 10.2 and 10.3 directly relate to SDG 16's commitment to non-discriminatory laws and policies. Additionally, progress towards SDG 10, especially the reduction of horizontal inequalities, can help advance peace and reduce the risk of conflict and violence.

Identifying who is being left behind and why is an obvious starting point for assessing inequalities across all of the goals. That's why improvements to the quality of data available to policy-makers - disaggregated by sex, age and other factors - is an equity issue in its own right. Another priority is more equitable public spending, with resources allocated on the basis of need to counteract the disadvantages associated with parental wealth, nutritional status, gender and location. And narrowing gaps in health or education outcomes requires that inequalities in access to decent quality essential services are reduced.



PARTICIPANTS

The roundtable on economic inequalities targets policy-makers, international organizations, civil society, business, and academia, as well as other stakeholders involved in developing policies and solutions to tackle economic inequalities.



ORGANIZERS

This round table is organized by the United Nations Development Programme (UNDP) and Food and Agriculture Organization (FAO), in cooperation with the International Labour Organization (ILO), International Organization for Migration (IOM), World Food Programme (WFP), International Telecommunication Union (ITU).